

**U.S. Department of Housing and Urban Development**  
Washington, D.C. 20410-0100



April 1999

REAL ESTATE ASSESSMENT CENTER

Dear Executive Director:

The purpose of this letter is to convey important information about HUD's recent evaluation of the physical, financial and management condition of your property, as well as resident service and satisfaction. As you are aware, Secretary Cuomo initiated the HUD 2020 Management Reform Plan to improve HUD operations and oversight of the properties for which it is responsible. As a part of the Management Reform Plan, the Secretary created a new and independent Real Estate Assessment Center (REAC). The REAC is charged with assessing the performance of properties in the HUD portfolio.

In order to provide uniform, consistent and standardized information regarding the condition of public housing properties, HUD issued a new rule entitled Public Housing Assessment System (PHAS) at 24 CFR Part 902. The final rule was published on September 1, 1998, and applies to all Public Housing Agencies (PHAs). The PHAS rule becomes effective for PHAs with fiscal years ending September 30, 1999 and later, and is designed to replace the current Public Housing Management Assessment Program (PHMAP) rule. In the meantime, the REAC is preparing "PHAS advisory scores" as part of an effort to communicate the changes and prepare the interested parties prior to implementation. PHAS advisory scores integrate the four indicators—physical, financial, management and resident service and satisfaction—using physical inspections conducted by inspectors under contract to HUD, financial reports submitted by the PHA, and information on management using PHMAP data.

Enclosed is the report for your PHA. Also enclosed is an explanation of the overall PHAS advisory score and details of each of the four indicators. If the overall score for your property is below 60 points, or if any of the physical, financial or management indicator scores are below 60 percent for their portion of the overall score (18 of 30 points), then you can expect the local HUD office to contact you. That office will discuss next steps with you. With respect to the physical component, HUD intends to publish a notice in the Federal Register regarding circumstances when owners may, upon documentation of an objectively verifiable material error by the contract inspector, request a technical review of the results of the physical inspection.

HUD thanks you for your cooperation during the conduct of the physical inspection and with respect to your financial and PHMAP reporting. If you have further questions or concerns regarding this matter, please contact the REAC Customer Service Center at 1-888-245-4860 or call your local HUD office.

Sincerely,

A handwritten signature in black ink, which appears to read "J. LaVoy", is positioned below the "Sincerely," text.

Donald J. LaVoy  
Acting Director  
Real Estate Assessment Center